24th July 1952]

Costs of liquidation collected from co-operative societies.

* 204 *Q.*—SRI V. BALAKRISHNAN: Will the Hon. the Minister for Co-operation be pleased to state—

(*a*) whether it is a fact that in the case of liquidated co-operative societies 7½ per cent is appropriated towards the costs of liquidation; and

(*b*) whether it is a fact that even when surplus funds are deposited in current account or in fixed deposits in Banks, 7½ per cent is appropriated?

THE HON. SRI D. SANJIVAYYA:—" Yes. Not less than two-thirds of the amount so collected is remitted to the Government which is meant to cover the cost of the liquidation staff employed by the State. The balance is utilized to meet the contingent expenditure and the cost of non-official staff employed in such societies. This procedure has been in operation from 1938 onwards.

" The liquidation charges levied at 7½ per cent on all assets realized in the liquidated societies are not based on the nature of the investments made or the easy realization of such assets. If some assets are easily recovered, there may be others such as loans and advances due from members which cannot be collected without considerable delay, expense and labour. The levy in respect of liquidation charges is therefore fixed at a uniform rate of 7½ per cent."

SRI A. M. RATNASWAMI:—" Is it a fact, Sir, that a number of co-operative societies started by the Harijans in the City and in the mufassal have been liquidated, or, are on the point of liquidation?"

MR. SPEAKER:—" The question under discussion relates to the cost of liquidation only."

SRI P. VENKATASUBBAYYA:—" Sir, will the Government consider the feasibility of giving directions to remit liquidation charges into the treasury by the collection agent himself, instead of crediting the amount first to the personal deposit account of the liquidator and then drawing it and crediting the Government with it at a later date which procedure gives scope for the clerk in charge to misappropriate?"

THE HON. SRI D. SANJIVAYYA:—" Sir, the suggestion of the hon. Member will be considered."

MR. SPEAKER:—" We shall pass on to the next question. It is more or less the same as question No. 203."

THE HON. SRI N. SANKARA REDDI:—" Sir, question No. 203 has been sufficiently discussed."

MR. SPEAKER:—" The question may be answered."